



Quarterly Pulse

Q4—2025

Key Contributors:

Ryan J. Dykmans, CFA — President, Chief Investment Officer (CIO)

Jason G. Greer, CFA — Senior Analyst

Adem Tumerkan — Editor

Part 1 - Economic Backdrop

Part 2 - Markets Update

Part 3 - Dunham Core Strategy Changes

Part 4 - DunhamDC Activity: Buy Fear, Sell Greed

Key Takeaways:

- **Global liquidity is improving, but unevenly.** A broad global rate-cut cycle is underway, with easing policy and renewed Fed balance sheet expansion (“QE-lite”) supporting risk assets. However, not all cuts are equal — global outcomes continue to be shaped primarily by the policy direction of the U.S., Europe, China, and Japan, with long and variable lags still working through the system.
- **Markets are rewarding fundamentals — but fragilities are building beneath the surface.** Strong productivity, elevated corporate profitability, and earnings-driven equity gains have supported markets, particularly in technology and global equities. At the same time, housing affordability, consumer strain, and rising reliance on short-term government borrowing point to growing structural risks.
- **Leadership is broadening beyond the U.S.** International and emerging markets outperformed in 2025, aided by global rate cuts, dollar weakness, favorable fiscal dynamics, and exposure to commodities and AI-linked demand. This dispersion reinforces the importance of global diversification as relative valuations and policy cycles diverge.
- **Discipline matters more than prediction.** With policy uncertainty, trade risks, and shifting narratives driving volatility, the Committee focused on rebalancing after outsized moves — trimming strength, reallocating toward underappreciated opportunities, and maintaining balance across equities and fixed income. In an environment shaped by both resilience and fragility, preparation, patience, and diversification remain essential.

Part 1 — Economic Backdrop

Global Central Banks Continue to Ease as Rate Cuts Proliferate

Globally, central banks continue to move in the same direction - easing policy.

On a net basis, far more central banks are cutting rates than hiking or holding steady, extending a global rate-cut cycle that remains firmly in place.

Though, with that said, **not all rate cuts are created equal**. While policy moves matter greatly within domestic markets - particularly for emerging-market investors - at the global macro level, interest rates and currencies are inherently relative.

This is where scale matters. Large institutions such as the **"Big Four"** - the Federal Reserve, the European Central Bank, the People's Bank of China, and the Bank of Japan - exert far greater influence over global liquidity and risk appetite than smaller central banks.

- Meaning, rate cuts in countries like Turkey, Brazil, or Vietnam may meaningfully impact local assets, but the broader global trend is ultimately set by the Big Four. Their policy direction drives global capital flows, currency

dynamics, and financial conditions far beyond their borders.

Even so, the direction of travel still matters. Historically, when a growing share of central banks are easing, global financial conditions tend to loosen over time as liquidity gradually improves. These effects arrive with long and variable lags - often 12 to 18 months - suggesting that the full impact of the global easing cycle that began in mid-2024 may not yet be fully reflected in economic data or markets. Over time, this environment has tended to act as a locomotive for risk-taking, particularly in more speculative assets sensitive to liquidity, funding costs, and cross-border capital flows.

Rate cuts do not eliminate downside risk - and can at times inflate it - but they have historically skewed outcomes by cushioning drawdowns and expanding upside as liquidity works its way through the system. Against that backdrop, the path of least resistance remains toward continued easing globally unless inflation or growth overheat.

At Dunham, we have maintained an overweight tilt toward international and emerging markets in anticipation of this cycle - and we believe that thesis remains intact even after strong gains in 2025.

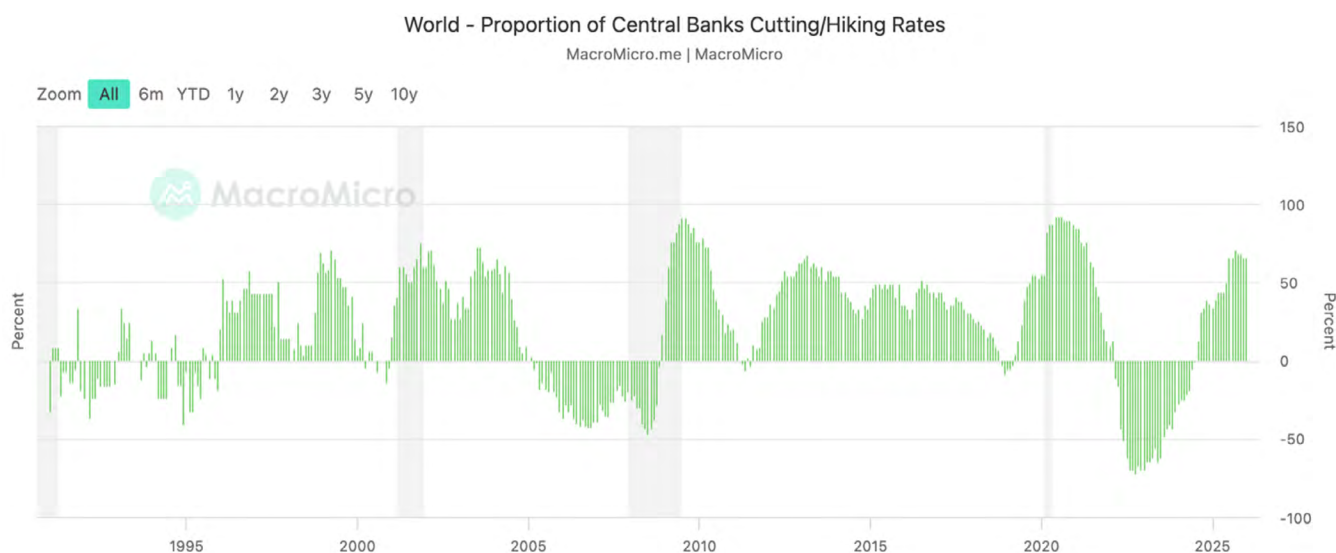


Figure 1: MacroMicro.Me, January 2026

Tariffs: The Good, the Bad, and the Ugly

Tariff policy remains a growing source of uncertainty, with much now hinging on the Supreme Court. More than 1,000 companies - including major names like Costco, Goodyear, and Dole - have filed lawsuits seeking refunds on tariffs paid, as the Court considers whether the administration exceeded its authority in imposing them. The stakes are high, and the outcome could ripple across markets, fiscal policy, and global trade.

The good: If the Court ultimately rules the tariffs unlawful, firms could see a meaningful boost to profits through refunds of previously paid duties. With over \$130 billion already collected under emergency authorities - and nearly \$289 billion in gross tariff and excise revenue brought in during 2025 - even partial refunds could materially improve corporate cash flows.

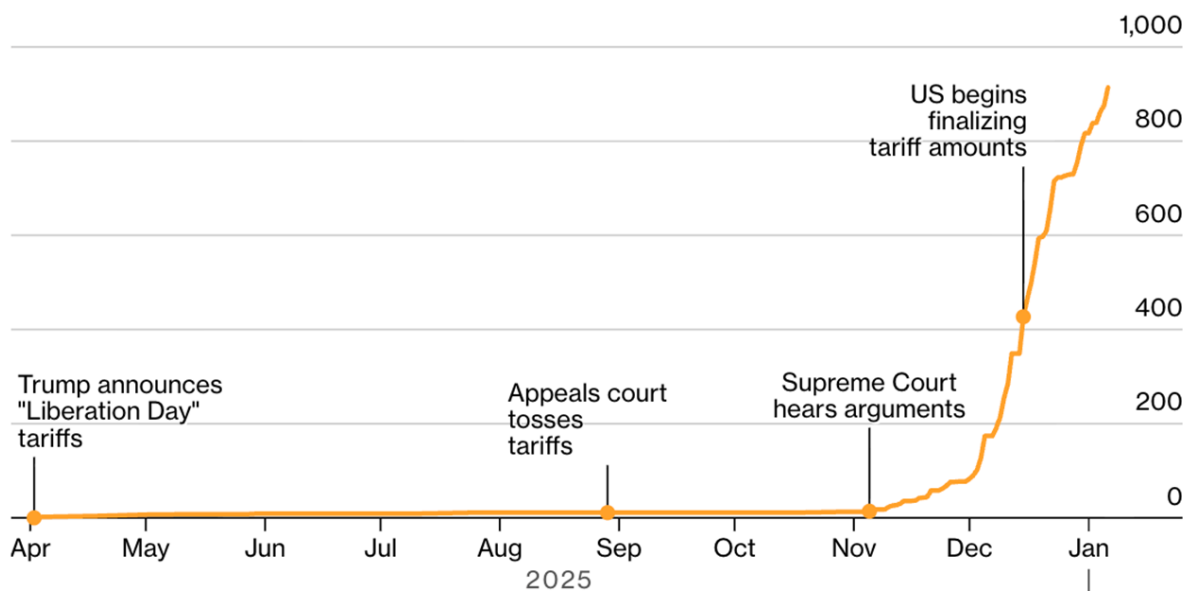
The bad: Tariffs have become an important source of marginal government revenue. A reversal would likely widen the fiscal deficit, particularly as tariff income has been cited as helping fund ambitious spending proposals. Any claw back would remove a revenue stream that has risen tens of billions above recent historical norms.

The ugly: Perhaps most damaging is the uncertainty itself. A legal back-and-forth - where tariffs are imposed, fought, refunded, reinstated, or adjusted - risks sending global trade back into turmoil. For businesses and foreign governments alike, U.S. trade policy has begun to resemble a light switch, flipping between legal and illegal, higher and lower rates. That kind of unpredictability can freeze investment decisions, distort supply chains, and add friction to an already fragile global trade environment.

Tariff Lawsuits Skyrocket After Supreme Court Arguments

Hundreds of cases filed since hearing, ahead of customs deadline

— Total number of tariff lawsuits



Sources: Bloomberg; US court records

Figure 2: Bloomberg, January 2026

Quarterly Pulse – Q4 2025

Quantitative Easing (QE) Is Back in the Conversation

After nearly four years of balance sheet reduction - excluding the brief response to the 2023 regional banking crisis - the Federal Reserve is now moving in the opposite direction.

Bank reserves fell sharply through the summer and fall, placing pressure on short-term funding markets and exposing stress in the financial system's plumbing.

In response, the Fed began expanding its balance sheet in early December through what can best be described as a **"QE-lite"** effort with renewed Treasury bill purchases of roughly \$40 billion per month.

Since then, the Fed's balance sheet has recorded its first meaningful month-over-month increase since 2023, rising by more than \$100 billion.

While this does not signal a return to full-scale quantitative easing, it does mark a clear change away from outright tightening and could put upside momentum for prices, markets, and growth.

Simply put, the Fed has eased off the brakes - and history suggests added liquidity rarely stays idle for long.

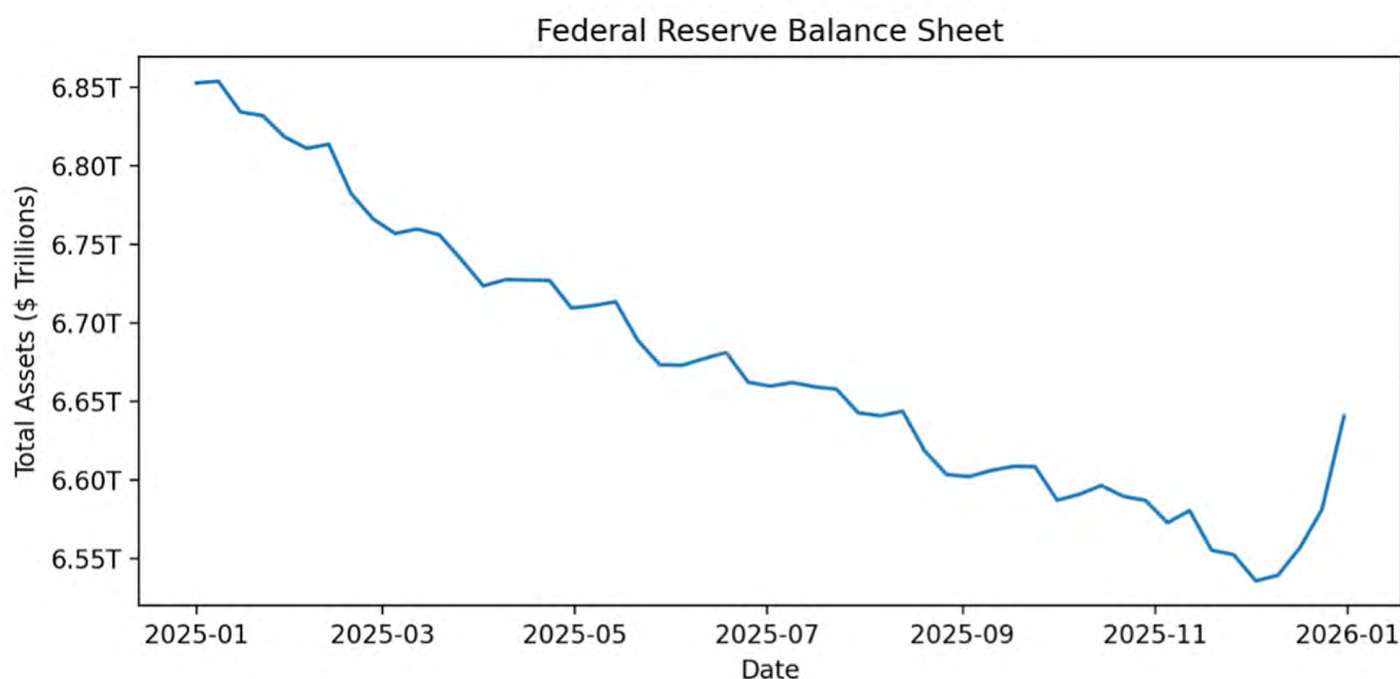


Figure 3: St. Louis Federal Reserve, Dunham, January 2026

U.S. Productivity Is Surging - With Good and Bad Implications

U.S. productivity has surged to its highest level in roughly two years - marking an important in the macro backdrop.

- Productivity - or nonfarm employee output per hour - soared at a 4.9% annualized rate in Q3 after an upwardly revised 4.1% advance in the Q2.

Stronger productivity implies that the economy can generate more output with the same - or even fewer - labor inputs, thus expanding marginal supply while keeping costs contained.

Over time, this dynamic can help ease inflationary pressure, as greater efficiency counters inflationary pressures and gives consumers more purchasing power via more "bang for their buck."

Quarterly Pulse – Q4 2025

Interestingly, this productivity surge doesn't yet appear to be driven by artificial intelligence, as AI adoption remains early, uneven, and largely untested at scale, with mixed evidence so far on sustained efficiency or revenue gains.

So, while accelerating productivity is a positive sign – there are some caveats here in the bigger picture.

Before the 1970s, productivity and wages rose largely in

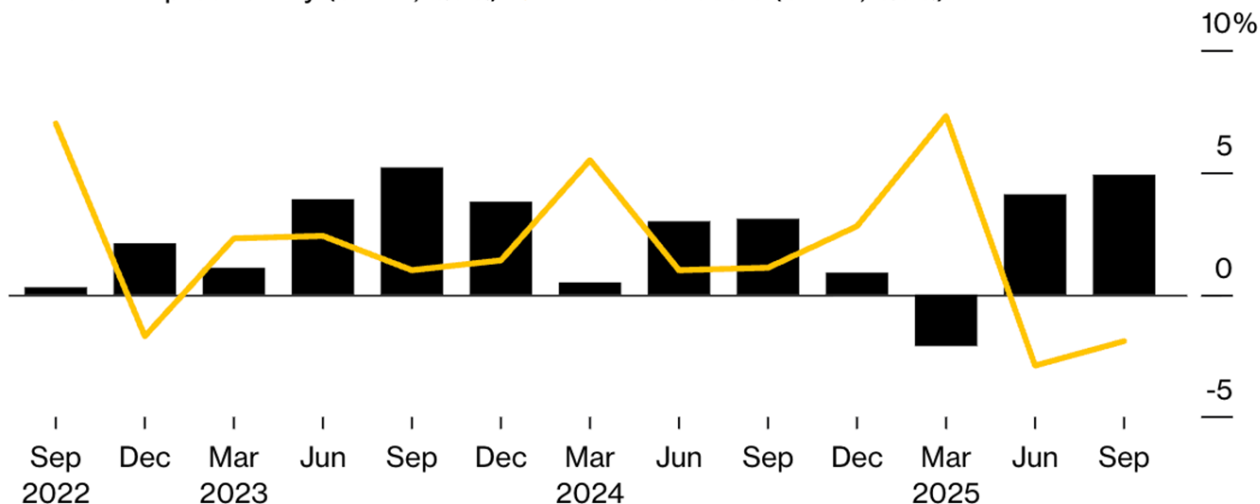
tandem. But since then, productivity has outpaced wage growth by nearly **three-to-one**, according to recent data from the Economic Policy Institute.

That widening gap means efficiency gains have flowed primarily to corporations and shareholders – a subtle form of financial repression on consumers that carries longer-term implications for inequality and worker bargaining power.

US Productivity Posts Strong Back-to-Back Gains

Unit labor costs decreased for a second straight quarter

■ Nonfarm productivity (SAAR, QoQ) ▲ Unit labor costs (SAAR, QoQ)



Source: Bureau of Labor Statistics

Figure 4: Bloomberg, January 2025

The U.S. Trade Deficit Is Collapsing - With Global Consequences

The U.S. trade deficit narrowed sharply in October, falling a staggering **39%** month-over-month to \$29.4 billion - **the smallest monthly gap since 2009**.

- **Imports** declined 3.2%, driven largely by a sharp pullback in pharmaceuticals - which fell to their lowest level since mid-2022 after companies front-loaded shipments ahead of threatened tariffs.
- **Exports**, meanwhile, rose 2.6% on the month - helping compress the deficit from both sides of the ledger.

The collapsing trade deficit reflects what tariff-driven trade policy was designed to do.

Higher import costs function as a form of “financial repression” on consumers - reducing purchasing power and curbing demand for foreign goods, while simultaneously incentivizing domestic production and supporting exports.

Furthermore, a weaker U.S. dollar - down roughly 10% since early 2025 - and signs of slowing consumption have reinforced this.

From an aggregate perspective, the narrowing deficit has also provided a meaningful lift to reported growth, with net exports

Quarterly Pulse – Q4 2025

now estimated to add nearly 2% to fourth-quarter GDP - a theme we've highlighted and expected in prior Quarterly Pulses.

Keep in mind that a trade deficit or surplus isn't inherently good or bad. They are symptoms of the underlying economic structure. With that said, the global implications of a shrinking U.S. trade deficit are harder to ignore.

As the world's largest trade-deficit nation by a wide margin, **a shrinking U.S. deficit necessarily means a rising deficit elsewhere.**

We're already seeing the spillovers - for instance - as China redirects goods previously bound for the U.S. toward Europe, thus inflaming trade tensions with the EU and opening a potential new front in the trade war (putting China in a corner).

In the near term, the trade data flatters U.S. growth and supports headline GDP. Over time, however, the narrowing deficit may reflect a structural rebalancing of global trade - one shaped by repressed consumption, distorted trade signals, and geopolitical tensions rather than organic global growth.

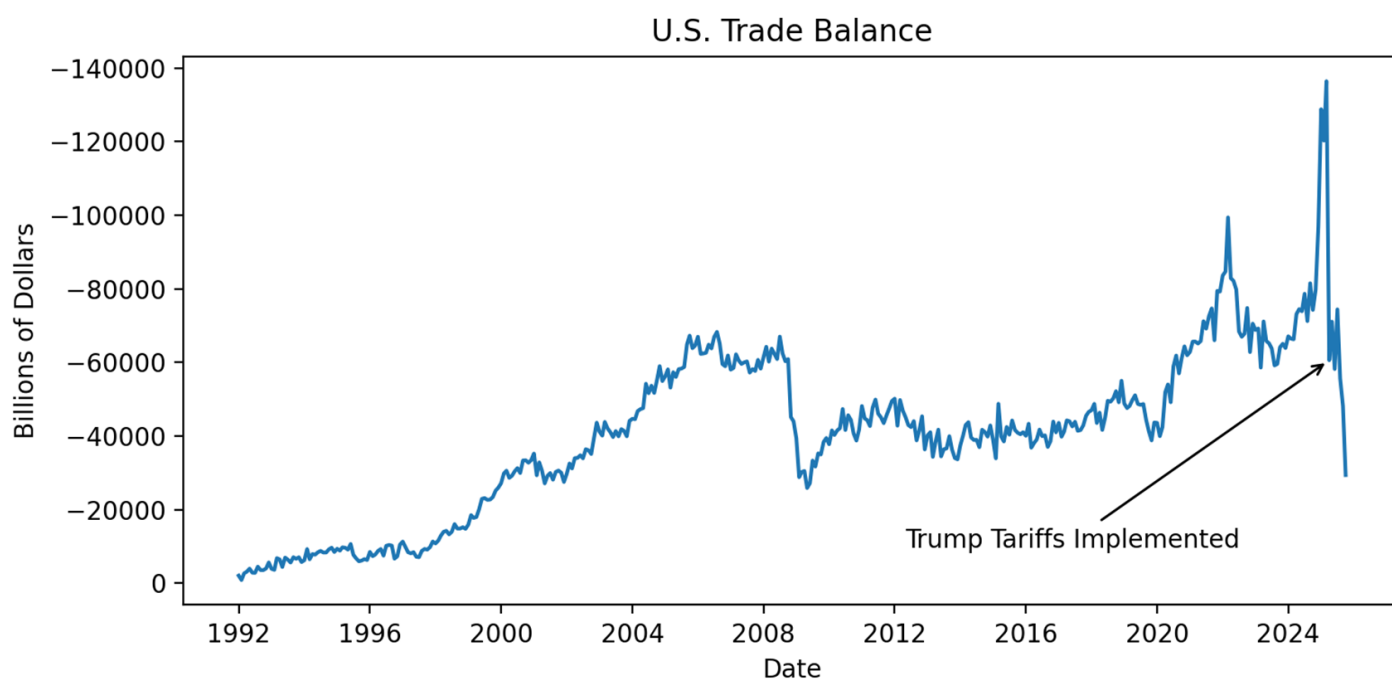


Figure 5: St. Louis Federal Reserve, January 2026

China's Deflation Is Showing Up at the Corporate Level

China's deflationary pressures are increasingly being felt across the corporate sector, with indirect spillovers to households as well.

As consumer demand remains anemic, firms are seeing profitability erode, business investment slow, and financial stress rise - particularly among more highly leveraged companies.

The data show a growing share of firms struggling to cover

interest costs, cutting staff, and pulling back on capital and R&D spending - a classic signal of caution in a deflationary environment.

- Additional data suggest roughly 25% of Chinese firms are now operating at a loss, the highest level since the early 2000s and well above the roughly 7% seen in 2017.

Left unchecked, these dynamic risks becoming self-reinforcing as weaker profits lead to less corporate spending and hiring, which in turn weighs further on consumer demand and growth, thus squeezing profits and spending further.

Quarterly Pulse – Q4 2025

Historically, this is also the point where policymakers feel compelled to respond. Markets have been waiting – patiently – for Beijing to act more forcefully – whether through a large fiscal package, meaningful consumer support, or dramatic interest-rate cuts that signal a clear commitment to reviving growth.

But so far, the policy response has remained targeted and incremental, with stimulus delivered in narrow pockets rather than broad measures. If these pressures persist, Beijing may ultimately be forced to act more decisively – with implications not only for Chinese markets, but for global growth and risk assets more broadly.

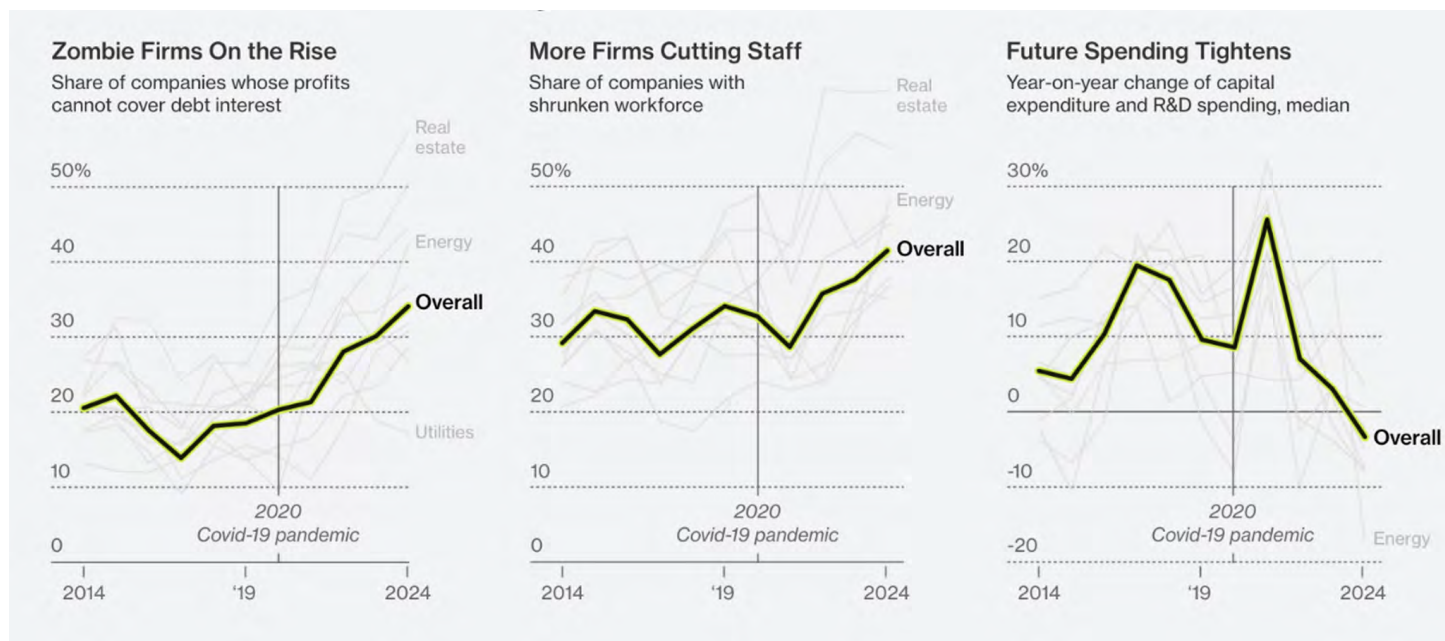


Figure 6: Bloomberg analysis of company filings, November 2025

Part 2 — Markets Update:

U.S. Equity Markets:

U.S. equities were volatile in Q4 yet still finished the quarter in positive territory.

- **S&P 500:** The index gained a modest **2.65%**, pushing its full-year return to **17.65%**
- **Nasdaq Composite:** The tech-heavy benchmark advanced **2.72%** during the quarter, bringing its 2025 return to **21.17%**
- **Russell 2000:** Small-cap stocks also posted modest gains, rising **2.19%** in Q4 and finishing the year up **12.79%**

Beyond traditional equities, performance diverged sharply across more speculative assets. Bitcoin fell roughly 30% from its October 7, 2025 peak as volatility resurfaced, while hard assets moved in the opposite direction - gold is up over 60% over the past 12 months, and silver has surged more than 150%.

Corporate Profitability Continues Heading Higher

Corporate profitability in the S&P 500 continues to run well above historical norms.

Net profit margins have trended higher for decades and remain near cycle highs, reflecting a structural change rather than a temporary phenomenon.

Asset-light business models, particularly in technology and services, have allowed firms to scale revenue without a proportional increase in costs. At the same time, the digital economy has amplified winner-take-most dynamics, reinforcing market concentration and weakening the historical tendency for margins to mean-revert.

Several forces have helped sustain these elevated margins. Public market competition has steadily declined, with fewer IPOs and new entrants over time, giving incumbents greater pricing power.

Wage growth has also lagged productivity for decades, allowing a larger share of economic gains to accrue to corporations rather than labor. While heavy investment - particularly in technology and AI - is often justified by expectations of future efficiency gains, history suggests CapEx booms rarely deliver returns as large or as widespread as initially hoped.

For now, profitability remains strong, but the longer-term question is whether today's margins prove durable - or eventually invite greater competition, regulation, or normalization.

Exhibit 54: S&P 500 Net Profit Margin

S&P 500 companies have improved profit margins over time.

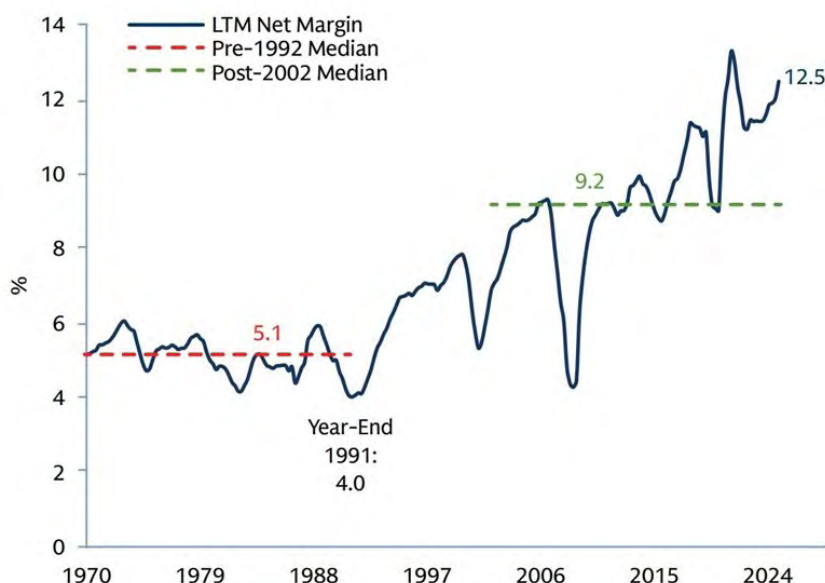


Figure 7: Goldman Sachs, December 2025

Housing Affordability Remains a Growing Strain

Housing affordability continues to weigh on millions of households, as the ratio of median home prices to median income remains near **historically elevated levels**.

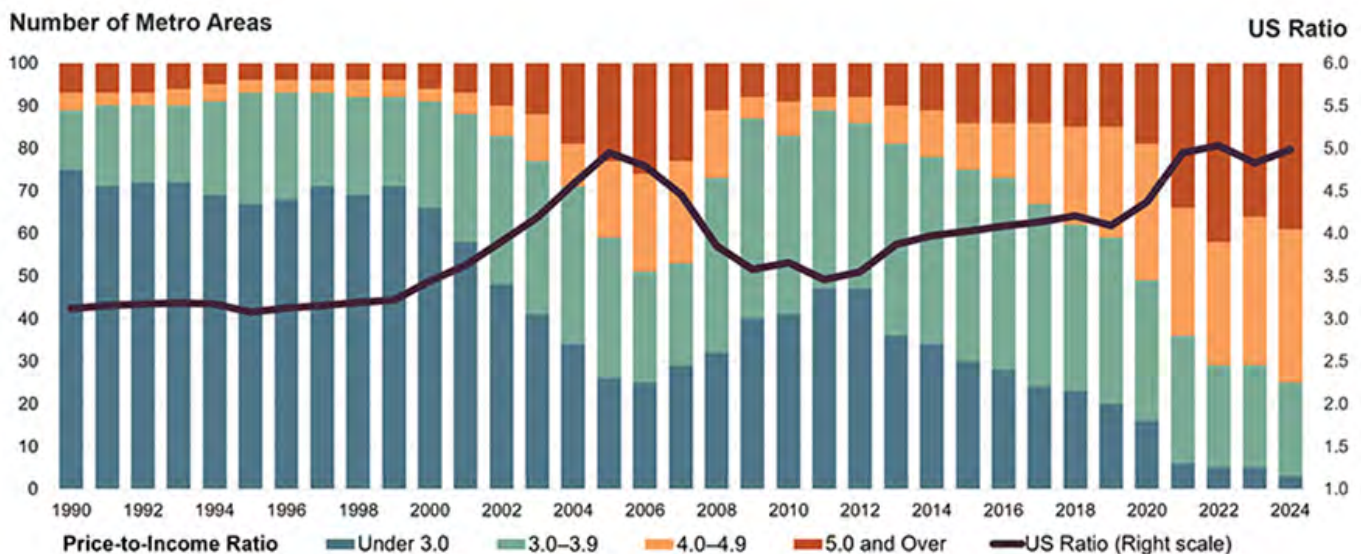
Even as price growth has cooled at the margin, incomes have not kept pace with the cumulative rise in housing costs, squeezing disposable income and pushing more households toward debt to bridge the gap.

In response, longer-dated financing options - including 40- and even 50-year mortgages plans - have begun to spread as buyers attempt to lower monthly payments. And while this

may ease near-term cash flow, it comes at the cost of significantly higher lifetime debt burdens due to compounding interest.

Over time, this dynamic risks becoming more than just an economic challenge. Persistent housing unaffordability can dampen consumption, limit household mobility, and widen wealth gaps between owners and renters.

As affordability pressures persist, housing is increasingly likely to move to the center of political debate as well - not just as a market issue, but as a broader cost-of-living concern with long-term implications for economic stability and social cohesion.



Notes: Price-to-income ratios are for the 100 largest metro areas by population. Income data for 2024 are based on Moody's Analytics forecasts.

Source: JCHS tabulations of National Association of Realtors, Metropolitan Median Area Prices; Moody's Analytics estimates.

Figure 8: Harvard University, Joint Center For Housing Studies, October 2025

Global Equities Have Taken the Lead

While U.S. equities finished the year higher, 2025 was notable for how broadly global markets outperformed the U.S. - both in local currency and U.S. dollar terms.

To put this into perspective, **nearly all major international equity markets delivered stronger returns than the S&P 500** - driven by a combination of earnings growth, multiple

expansion, dividends, and a favorable currency boost from a weaker U.S. dollar.

More importantly, global rate cuts have improved liquidity conditions outside the U.S., while more accommodative fiscal policy and deficit spending in many economies have supported growth and risk appetite.

Quarterly Pulse – Q4 2025

At the same time, dollar weakness has amplified returns for U.S.-based investors allocating abroad.

All this together created a more supportive backdrop for international and emerging markets - a trend **Dunham** has been positioning for as global policy cycles and relative valuations began to turn more favorable outside the U.S.

Exhibit 2: Nearly all major equity markets have outperformed the US in 2025 in local and in USD terms

Decomposition of YTD return in USD

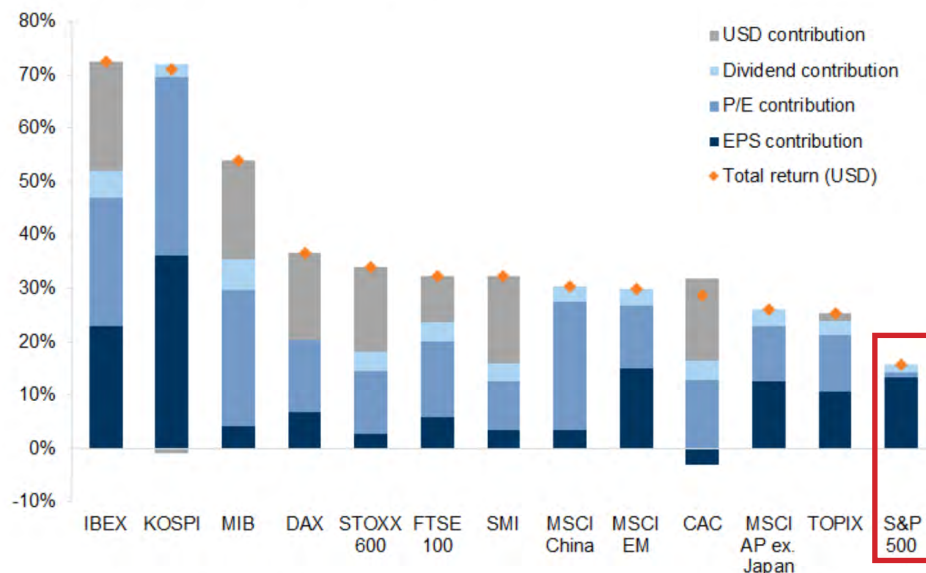


Figure 9: Goldman Sachs, December 2025

Source: Datastream, STOXX, Goldman Sachs Global Investment Research

International Markets: Developed Markets Continue to Bring The Heat

As mentioned above, global equities extended their relative outperformance in 2025. Outside of the United States, broad equity markets delivered stronger gains than U.S. benchmarks, with the **MSCI All Country World ex-USA Index** rising roughly **5.05% in Q4 2025 (hitting 32.39% for the full year) - well ahead of the S&P 500's mid-teens return.**

Developed markets - particularly across **Europe, Japan, and parts of Asia** - were the most consistent sources of outperformance.

A notable bright spot within developed markets was Canada. Canadian equities delivered one of their strongest years in decades - with the S&P/TSX Composite rising over 30% - and significantly outperforming U.S. benchmarks, despite weak domestic fundamentals. The rally was driven

less by consumer strength and more by the market's heavy exposure to commodities - particularly gold, silver, and industrial metals - which benefited from global uncertainty, deficit spending, and strong demand tied to infrastructure and AI investment.

Emerging Markets: Still Uneven

Emerging market equities extended their momentum in Q4 2025, albeit with an uneven advance. Performance was driven primarily by technology-heavy economies such as **South Korea** and **Taiwan**, where strong global demand for semiconductors and AI-related hardware supported returns.

Commodity-linked markets - including parts of **South America** and **South Africa** - also benefited from elevated metals prices alongside easing global financial conditions.

Combined with relatively attractive valuations and pockets of

Quarterly Pulse – Q4 2025

resilient domestic demand across **Southeast Asia** and **India**, emerging markets delivered stronger relative growth than many had expected.

However, performance was far from uniform. **China** lagged amid ongoing economic and property-sector challenges, posting losses during the quarter, while **Saudi Arabia** also finished Q4 in negative territory (suffering its largest quarterly decline all year).

Fixed-Income Markets

Bonds delivered modest gains in Q4, with the Bloomberg U.S. Aggregate Bond Index rising **1.10%** as yields stabilized and income once again became a meaningful driver of returns. Globally, easing inflation pressures and a broadening rate-cut cycle helped calm volatility across sovereign bond markets, allowing fixed income to behave more like fixed income — providing carry and diversification after several years of disruption.

That stability, however, masks an uncomfortable truth.

As investors remain cautious about long-duration risk amid persistent inflation uncertainty and heavy debt issuance, **governments have increasingly been pushed toward the front end of the curve for funding.**

- In fact, the average maturity of global government bonds has fallen to just **8.8 years** - the lowest since 2014, and it's been dropping steadily since 2021.

The result is a subtle but meaningful change in how sovereigns finance themselves - relying more heavily on short-term borrowing that must be rolled over frequently, leaving public finances increasingly sensitive to future interest rates and the fickle moods of investors.

Government Borrowing Is Trending Shorter

Average maturity in sovereign debt benchmark hits lowest since 2014

🔗 Bloomberg Global Agg Treasuries Total Return Index average time to maturity



Figure 10: Bloomberg, December 2025

Part 3 — Dunham Core Strategy Changes

After reviewing the global macro backdrop and recent market volatility, the **Dunham Investment Committee** reaffirmed its commitment to a balanced, disciplined approach entering Q1 2026.

While longer-term risks remain - including policy uncertainty, heavy government borrowing, trade tensions, and uneven global growth - the Committee identified near-term opportunities to rebalance portfolios following strong moves in certain segments of the market.

Markets continue to be influenced by constantly changing expectations around Federal Reserve policy, renewed liquidity dynamics following the Fed's "QE-lite" actions, and growing dispersion across regions and asset classes.

Against this backdrop, the Committee focused on trimming areas that have outperformed meaningfully while reallocating toward segments that appear relatively underappreciated and offer improved risk-reward characteristics.

Dunham Core Equity Strategy Adjustments

To capitalize on **emerging opportunities** while diversifying **downside risk exposures**, the **Investment Committee** implemented the following adjustments:

Reductions:

- **Dunham Small Cap Value Fund** – The Committee reduced exposure following a period of strong performance. Small caps were among the largest contributors in recent quarters, and while the strategy remains overweight relative to industry benchmarks, the reduction reflects disciplined profit-taking after significant gains. Small-cap companies also remain more sensitive to funding conditions and rate volatility, which have increased amid ongoing policy uncertainty.
- **Dunham Small Cap Growth Fund** – Exposure was reduced for similar reasons. Lower interest rates remain a long-term tailwind for growth-oriented companies, but recent optimism around dovish policy expectations may have moved too far, too fast. The adjustment reflects a rebalancing after outsized gains rather than a change in long-term conviction. Similar to the Small Cap Value Fund, we remain overweight in the small-cap space.

Increases:

- **Dunham Real Estate Fund** – The Committee increased exposure selectively, recognizing that while affordability challenges and higher financing costs remain headwinds, parts of the real estate market appear to be stabilizing. After several years of pressure, consolidation across the sector has left stronger, better-capitalized firms positioned to benefit as weaker competitors exit. Pockets of opportunity - including retirement housing, data centers, and specialized commercial assets - offer potential upside as the sector finds its footing.
- **Dunham Focused Large Cap Growth Fund** – Exposure was increased as the Committee favored large-cap companies for the near term. These firms tend to have stronger balance sheets, global revenue streams, and greater resilience in uncertain policy environments. While animal spirits remain present in parts of the market, large caps offer more consistent earnings visibility and are generally better positioned than smaller peers in periods of turbulence.

These adjustments impacted the **Dunham Core Equity Portfolio**, reflecting a thoughtful calibration away from areas that experienced outsized returns and toward opportunities with relatively more potential.

Core Fixed Income Strategy Adjustments

Turning to fixed income, the Investment Committee made strategic adjustments to the **Dunham Core Fixed Income Strategy** to better align with evolving market conditions.

Reductions:

- **Dunham High Yield Bond Fund** – The Committee reduced exposure to high yield, recognizing that credit spreads remain tight and offer limited compensation for downside risk should growth slow or volatility return. With significant refinancing needs ahead and uncertainty around rates, the risk-reward profile appeared less attractive compared to other opportunities.

Increases:

- **Dunham International Opportunity Bond Fund** – Proceeds were reallocated toward international bonds, improving geographic diversification and positioning the portfolio to benefit from global rate-cut cycles outside the

U.S. Many foreign central banks are further along in easing, and a softer U.S. dollar could enhance returns while helping diversify interest-rate and policy risk.

These adjustments reflect the committee's commitment to managing risk while capitalizing on strategic income opportunities, ensuring the fixed-income portfolio remains well-positioned in an evolving rate environment.

Core Fixed Income Light Strategy

In the **Dunham Core Fixed Income Light Portfolio**, there were no meaningful changes as the committee found it was balanced appropriately.

Parting Comments

As we move deeper into 2026, markets continue to balance optimism with uncertainty. Liquidity is gradually improving as global central banks ease, volatility has moderated, and risk appetite remains intact. At the same time, elevated valuations, stretched consumers, rising fiscal pressures, and growing reliance on short-term debt underscore that today's stability rests on a narrow foundation.

The defining feature of this environment is noise. Altering expectations around Federal Reserve policy, evolving trade dynamics, and uneven global growth have driven sharp rotations across asset classes - often disconnected from fundamentals in the short run. In such conditions, the temptation to react can be high, but history suggests that discipline matters most when signals are mixed and narratives change quickly.

Rather than attempting to forecast each policy turn or market swing, the Investment Committee remains focused on preparation over prediction. By maintaining balance across equities and fixed income, diversifying globally, taking profits after outsized moves, and reallocating toward areas with more favorable risk-reward profiles, portfolios are positioned to participate in opportunity while remaining resilient to disruption.

Simply put, this is not an environment that rewards complacency - nor one that calls for retreat.

As liquidity returns unevenly and leadership broadens beyond the U.S., discipline, diversification, and patience remain essential tools for navigating what lies ahead.

Part 4 — DunhamDC Activity: Buy Fear, Sell Greed

Q4 2025 was **quiet** for DunhamDC.

No new triggers were hit during the quarter, as the strategy remains positioned at its lowest equity threshold, allowing it to continue participating in market upside while maintaining a its unemotional stance. But with equities grinding higher and volatility staying relatively muted, there were no meaningful pullbacks to take advantage of - and thus, no reason to act.

Simply put, there was nothing to buy, and nothing left to sell.

Mr. Market - the fictional character introduced by Benjamin Graham to represent the collective mood swings of investors - has been in an unusually good mood, even as risks have accumulated all over the place. He's been confident, even euphoric at times, brushing aside concerns around:

- Elevated valuations - particularly in parts of AI-related sectors
- Cooling economic signals - especially in the labor markets
- Ongoing geopolitical tensions - including unresolved trade frictions

On the few occasions fear did surface - such as in November - it was short-lived and quickly reversed, therefore offering no sustained emotional extreme for DunhamDC to capitalize on. For a strategy designed to respond to meaningful change in sentiment, fleeting jitters don't count.

But this lack of activity is not a flaw. It's the process working exactly as intended. DunhamDC is not built to trade relatively frequently (although it can if price swings are big enough) or chase momentum.

For instance, earlier in the year, the strategy systematically reduced equity exposure into strength and added exposure during sharp pullbacks - selling greed and buying fear numerous times.

Now, with equity exposure already trimmed and markets continuing higher, patience **becomes** the position. Importantly, patience does not mean inaction - it means waiting unemotionally with discipline, flexibility, and strategy.

Many investors focus on the *frequency* of correctness - tying to capture small, incremental gains as often as possible that are usually priced in (potentially leaving upside limited with greater downside risk). Whereas DunhamDC more so focuses instead on the *magnitude* of correctness. Markets tend to drift higher over time, but the most powerful opportunities often emerge during sharp, and sudden drawdowns when fear overwhelms fundamentals. Thus, by standing aside during extended rallies and preserving dry powder, the strategy is positioned to act decisively when volatility returns, and downside moves create asymmetric opportunity.

Looking ahead, DunhamDC is not forecasting the next market move - and it doesn't need to. Whether volatility resurfaces through stretched valuations, economic surprises, or external shocks, or simply Mr. Market waking up on the wrong side of the bed - the strategy remains prepared.

Because when greed fades and fear eventually reappears in a meaningful way, DunhamDC is designed to respond calmly, systematically, and without emotion.

Allocation Rebalancing

		Dunham Investment Committee Allocations		Changes With Rebalancing	
Dunham Fund (N-Shares)	Ticker	Decreased	Increased	Percentage Change From Q3 2025	New Weighting For Q4 2025
Core Equity					
Large Cap Value Fund	DNLVX	●	●	-0.4%	16.0%
Real Estate Stock Fund	DNREX	●	●	1.3%	7.0%
International Stock Fund	DNINX	●	●	-0.5%	14.0%
Small Cap Value Fund	DNSVX	●	●	-1.2%	7.0%
Focused Large Cap Growth Fund	DNFGX	●	●	2.1%	14.0%
Small Cap Growth Fund	DNDGX	●	●	-1.2%	5.0%
Emerging Markets Stock Fund	DNEMX	●	●	-0.1%	15.0%
Dynamic Macro Fund	DNAVX	●	●	0.2%	11.0%
U.S. Enhanced Market Fund	DNSPX	●	●	-0.1%	11.0%
Core US Equity					
Large Cap Value Fund	DNLVX	●	●	-0.3%	30.2%
Small Cap Value Fund	DNSVX	●	●	-2.0%	13.2%
Focused Large Cap Growth Fund	DNFGX	●	●	4.3%	26.4%
Small Cap Growth Fund	DNDGX	●	●	-2.2%	9.4%
U.S. Enhanced Market Fund	DNSPX	●	●	0.2%	20.8%
Core Foreign					
International Stock Fund	DNINX	●	●	-0.7%	48.3%
Emerging Markets Stock Fund	DNEMX	●	●	0.7%	51.7%

Quarterly Pulse – Q4 2025

		Dunham Investment Committee Allocations		Changes With Rebalancing	
Dunham Fund (N-Shares)	Ticker	Decreased	Increased	Percentage Change From Q3 2025	New Weighting For Q4 2025
Core Alternative					
Dynamic Macro Fund	DNAVX	●	●	-0.5%	28.6%
Long/Short Credit Fund	DNAIX	●	●	-0.3%	13.6%
Monthly Distribution Fund	DNMDX	●	●	-0.5%	11.0%
Real Estate Stock Fund	DNREX	●	●	2.7%	18.2%
U.S. Enhanced Market Fund	DNSPX	●	●	-1.3%	28.6%
Core Fixed Income					
International Opportunity Bond Fund	DNIOX	●	●	1.0%	9.0%
Floating Rate Bond Fund	DNFRX	●	●	0.1%	14.0%
Corporate/Government Bond Fund	DNCGX	●	●	0.0%	23.0%
High-Yield Bond Fund	DNHYX	●	●	-0.9%	16.0%
Monthly Distribution Fund	DNMDX	●	●	-0.2%	17.0%
Long/Short Credit Fund	DNAIX	●	●	0.1%	21.0%
Core Fixed Light					
Monthly Distribution Fund	DNMDX	●	●	-0.3%	25.0%
Long/Short Credit Fund	DNAIX	●	●	0.1%	25.0%
Corporate/Government Bond Fund	DNCGX	●	●	0.0%	30.0%
Floating Rate Bond Fund	DNFRX	●	●	0.2%	20.0%

IMPORTANT DISCLOSURES

The views set forth in The Quarterly Pulse are current as of September 30, 2025, are subject to change based on market conditions and other factors and should not be construed as investment advice.

This communication contains general market information only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. Nor should it be relied upon in any way as a forecast or guarantee of future events regarding a particular investment or the markets in general. This video is for informational purposes only and does not constitute a solicitation or an offer to sell securities or advisory services nor is it an offer to purchase an interest in any Dunham Fund or Program. Sources of data are all public and may include but are not limited to Reuters, Bloomberg, Standard and Poor's, U.S. Bureau of Labor Statistics, Federal Open Market Committee, Yahoo Finance and NASDAQ.

Investing in a mutual fund involves risks, including the possible loss of principal. Investors should consider the investment objectives, risk factors, charges, and expenses of the Dunham Funds carefully before investing. This and other important information is contained in the Fund's summary prospectus and/or prospectus, which may be obtained by calling (800) 442-4358. Please read prospectus materials carefully before investing or sending money. Investing involves risk, including possible loss of principal.

The Dunham Asset Allocation program is a turnkey wrap fee program comprised of the Dunham Funds. A wrap fee program is defined as a program offered by an investment adviser that wraps several services together for a fee based on the size of the client's account, asset allocation, which is driven by complex mathematical models, should not be confused with the much simpler concept of diversification, asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. Rebalancing may be a taxable event. Before taking any specific action, be sure to consult with your tax professional. The Dunham Asset Allocation program currently utilizes the Dunham Fund N Class Shares, each representing a different asset class, and only available to clients of fee-based advisory programs. The seven strategic allocations represent varying % allocations to the asset classes, with rebalancing to a quarter's target allocations occurring on the first business day of each quarter, the reinvestment of dividends on the date of the payment is also assumed.

Past performance is not indicative of future results.

The information in this video is provided for informational purposes only by Dunham & Associates Investment Counsel, Inc. solely in its capacity as a Registered Investment Adviser and should not be construed as legal and/or tax advice.

Dunham Asset Allocation Program: The Adviser is the sponsor

of the Dunham Asset Allocation Program ("Program"), an advisory wrap program using the Dunham Funds, N share class.

As the program sponsor, Dunham charges the Investor a Program Fee covering limited discretionary investment management, brokerage and custodial services related to Dunham Funds, shareholder servicing and distribution, and client communications. Dunham will be paid a Program Fee option of 0.25% for the Asset Based Advisory Fee or 1/2 of the Performance Based Advisory Fee option. Investor understands that the Performance Based Fee may create an incentive for the financial advisor or Registered Investment Adviser ("RIA") and Dunham to increase the level of risk that the account may incur. The Investor further understands that the Performance Based Advisory and Program Fees may result in higher fees than an Asset-Based Advisory Fee and the RIA and Dunham, may receive increased compensation with the Performance-Based Advisory Fee.

The Program may be used by financial advisors to diversify client portfolios among the various asset classes represented by the Funds. The Adviser takes a portion of the revenues it receives from the Program and may reimburse certain non-affiliated financial advisors for their marketing and business development efforts. For the Performance Advisory Fee Option, reimbursements are from 0 to 25 basis points a year, depending on the dollar amount of client assets in the program. The Adviser also sponsors due diligence trips and conferences designed to enhance the financial advisor's understanding of the offerings. Certain costs associated with attendance at these meetings may be paid by the Adviser.

The Adviser also supports industry conferences and sponsors educational events attended by clients of the financial advisors as well as the financial advisors themselves.

The Investor pays no additional fees to Dunham or to the non-affiliated financial advisor or their RIA. However, these payments may create a potential conflict of interest by influencing a non-affiliated financial advisor to invest in the Custom Asset Allocation Program. The Advisory fees and potential conflicts of interest are described in greater detail in Part 2 of Dunham's Form ADV or WRAP Fee Brochure.

Dunham offers sub-advised mutual funds in the Custom Asset Allocation Program in which Sub-Advisers' compensation is tied to their success versus an established benchmark. The Sub-Adviser receives a fulcrum fee, which will vary based on the Sub-Adviser's performance against the benchmark. The Sub-Adviser is rewarded when performance exceeds the benchmark and penalized when performance is short of the benchmark. Some Sub-Advisers may get paid a minimum fee even if they don't meet the benchmark. The Adviser is paid a separate fee.

The Dunham Monthly Distribution Fund, an investment in the Core Fixed Income and Core Fixed Light Strategy, utilizes an absolute return style to achieve its investment

objective and may invest a significant portion of its assets in equity securities. However, its volatility (risk) has historically exhibited a low correlation to both the broad equity and the broad fixed income markets.

The Dunham Core Fixed Light Custom Core Allocation strategy has a limited track record, with an inception date of 1/1/2021. It was added as a Custom Core Allocation strategy on 9/30/2022, which means that prior to that date, accounts allocated in this strategy did not benefit from the firm's continuous monitoring and quarterly adjustments to reflect market conditions, performance, and other factors.

Core Fixed Income Strategy

The Dunham Core Fixed Income Strategy is constructed using Dunham funds that primarily invest in fixed income securities and fixed income alternatives. Investors in this Strategy generally prioritize capital preservation over maximizing total returns.

Core Fixed Light Strategy

The Dunham Core Fixed Light Strategy is constructed using Dunham funds that primarily invest in fixed income securities and fixed income alternatives.

Investors in this Strategy generally prioritize capital preservation over maximizing total returns by investing in asset classes that generally exhibit less volatility and less return than the typical core fixed income strategy.

Core Equity Strategy

The Core Equity Strategy is constructed using Dunham funds that primarily invest in equity securities and equity alternatives. Investors in these strategies generally prioritize maximizing total returns.

Core U.S. Equity Allocation

The Core U.S. Equity Allocation Strategy is constructed using Dunham funds that primarily invest in domestic equity securities. Investors in these strategies generally prioritize maximizing total returns Core Foreign Equity Allocation.

Core Foreign Equity Allocation

The Core Foreign Equity Allocation Strategy is constructed using Dunham funds that primarily invest in foreign equity securities. Investors in these strategies generally prioritize maximizing total returns.

Core Alternatives Allocation

The Core Alternatives Allocation Strategy is constructed using Dunham funds that primarily invest in alternative strategies. Investors in the Core Alternatives Allocation Strategy generally seek a balance of alternative strategies that have a goal of exhibiting a low to moderate correlation to both equity and fixed income markets across market cycles.

Expense ratios are gross of any fee waivers and reflect those in Dunham's most recent Prospectus.

RISK CONSIDERATIONS: An Investment in the strategies and the Dunham Funds involves risks, including the risks listed below:

Active Management Risk – The Fund is subject to management risk because it is an actively managed investment portfolio. The Sub-Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its decisions will produce the intended result. The successful use of hedging and risk management techniques may be adversely affected by imperfect correlation between movements in the price of the hedging vehicles and the securities being hedged.

Asset Allocation Risk – In allocating the Fund's assets, the Sub-Adviser may favor markets or asset classes that perform poorly relative to other markets and asset classes. The Sub-Adviser's investment analysis, its selection of investments, and its assessment of the risk/return potential of asset classes and markets may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests.

Call or Redemption Risk – If interest rates decline, issuers of debt securities may exercise redemption or call provisions. This may force the Fund to reinvest redemption or call proceeds in securities with lower yields, which may reduce Fund performance.

Changing Fixed Income Market Conditions Risk – During periods of sustained rising rates, fixed income risks will be amplified. If the U.S. Federal Reserve's Federal Open Market Committee ("FOMC") raises the federal funds interest rate target, interest rates across the U.S. financial system may rise. Rising rates tend to decrease liquidity, increase trading costs, and increase volatility, all of which make portfolio management more difficult and costly to the Fund and its shareholders.

China Risk – The Fund's investments in companies or issuers economically tied to China are subject to the country/regional, emerging markets, currency, cybersecurity, and geopolitical risks, in addition to unique risks. They are associated with considerable degrees of social and humanitarian, legal, regulatory, political, and economic uncertainty which could have negative impacts on the Fund. They may be (or become in the future) restricted or sanctioned by the U.S. government or another government.

China Related Variable Interest Entity Risk – The Fund could seek to gain economic exposure to certain operating companies in China through legal structures known as variable interest entities ("VIEs"). In a VIE structure, a series of contractual arrangements are entered into between a holding company domiciled outside of China and a Chinese operating company or companies. VIE structures and these contractual

arrangements are not equivalent to equity ownership in the operating company, which presents additional risks. The market value and liquidity of the associated investments could fall, causing substantial or total investment losses for investors with no recourse available.

CLO Risk – Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. There is a material possibility that economic activity will be volatile or will slow significantly, and the CLO performance will likely be significantly and negatively impacted by such conditions. Such effects may include an inability for Obligor to obtain refinancing of their debt obligations. A decreased ability of Obligor to obtain refinancing may cause a deterioration in loan performance generally and for CLOs. It is not possible to determine whether or when such trends will improve or worsen in the future. CLOs may include underlying securities, which are investments in foreign countries. These factors could detract from CLO's performance.

Commodity Risk – Investing in the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geological and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions.

Corporate Loans Risk — Derivatives or other similar instruments (referred to collectively as “derivatives”), such as futures, forwards, options, swaps, structured securities and other instruments, are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may involve costs and risks that are different from, or possibly greater than, the costs and risks associated with investing directly in securities and other traditional investments. Derivatives prices can be volatile, may correlate imperfectly with price of the applicable underlying asset, reference rate or index and may move in unexpected ways, especially in unusual market conditions, such as markets with high volatility or large market declines. Some derivatives are particularly sensitive to changes in interest rates. Other risks include liquidity risk which refers to the potential inability to terminate or sell derivative positions and for derivatives to create margin delivery or settlement payment obligations for the Fund. Further, losses could result if the counterparty to a transaction does not perform as promised. Derivatives that involve a small initial investment relative to the risk assumed may be considered to be “leveraged,” which can magnify or otherwise increase investment losses. In addition, the use of derivatives for non-hedging purposes (that is, to seek to increase total return) is considered a speculative practice and may present an even greater risk of loss than when used for hedging purposes. Derivatives are also subject to operational and legal risks.

Credit Risk – Issuers of debt securities may suffer from

a reduced ability to repay their interest and principal obligations. They may even default on interest and/or principal payments due to the Fund. An increase in credit risk or a default will cause the value of Fund debt securities to decline. Issuers with lower credit quality are more susceptible to economic or industry downturns and are more likely to default.

Currency Risk - Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund's investments denominated in a foreign currency or may widen existing losses. Exchange rate movements are volatile, and it may not be possible to effectively hedge the currency risks of many countries.

Derivatives Risk - Derivatives or other similar instruments (referred to collectively as “derivatives”), such as futures, forwards, options, swaps, structured securities and other instruments, are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may involve costs and risks that are different from, or possibly greater than, the costs and risks associated with investing directly in securities and other traditional investments. Derivatives prices can be volatile, may correlate imperfectly with price of the applicable underlying asset, reference rate or index and may move in unexpected ways, especially in unusual market conditions, such as markets with high volatility or large market declines. Some derivatives are particularly sensitive to changes in interest rates. Other risks include liquidity risk which refers to the potential inability to terminate or sell derivative positions and for derivatives to create margin delivery or settlement payment obligations for the Fund. Further, losses could result if the counterparty to a transaction does not perform as promised. Derivatives that involve a small initial investment relative to the risk assumed may be considered to be “leveraged,” which can magnify or otherwise increase investment losses. In addition, the use of derivatives for non-hedging purposes (that is, to seek to increase total return) is considered a speculative practice and may present an even greater risk of loss than when used for hedging purposes. Derivatives are also subject to operational and legal risks.

Distribution Policy Risk – The Fund's distribution policy is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of the Fund's current net asset value per share. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e., from your original investment). Shareholders should not assume that the source of a distribution from the Fund is net profit. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares.

ETF Risk – ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the Fund.

As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest exclusively in common stocks. The ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track and the market value of ETF shares may differ from their net asset value.

ETFs are subject to specific risks, depending on the nature of the fund. For instance, investing in inverse ETFs is similar to holding various short positions, or using a combination of advanced investment strategies to profit from falling prices. When the value of ETFs held by the Fund decline, the value of your investment in the Fund declines.

ETN Risk – ETNs are securities that combine aspects of a bond and an ETF. ETN returns are based upon the performance of a market index or other reference asset less fees, and can be held to maturity as a debt security. ETNs are traded on a securities exchange. Their value is based on their reference index or strategy and the credit quality of the issuer. Because ETNs are debt instruments of the issuer of the ETN, they are subject to the credit risk of the issuer. ETNs are also subject to the risk that they may trade at a premium or discount to value attributable to their reference index. When the Fund invests in an ETN, shareholders of the Fund bear their proportionate share of the ETN's fees and expenses, as well as their share of the Fund's fees and expenses. There may also not be an active trading market available for some ETNs. Additionally, trading of ETNs may be halted and ETNs may be delisted by the listing exchange.

Emerging Markets Risk – Emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems which do not protect securities holders. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Event Risk – Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company's bonds and/or other debt securities may decline significantly.

Financial Services Sector Risk – The profitability of many types of financial services companies may be adversely affected in certain market cycles. For example, periods of rising interest rates may restrict availability and increase the cost of capital for these companies. Moreover, when interest rates rise, the value of securities issued by many types of financial services companies generally falls. Declining economic conditions may cause credit losses due to financial difficulties of borrowers. In addition, financial services companies often are regulated by governmental entities, which can increase costs for new services or products and make it difficult to pass increased costs on to

consumers. In certain areas, deregulation of financial services companies has resulted in increased competition and reduced profitability.

Floating Interest Rates Risk – Certain of the Fund's investments, payment obligations and financing terms may be based on floating interest rates, such as the Euro Interbank Offer Rate ("EURIBOR"), the Sterling Overnight Interbank Average Rate ("SONIA"), the Secured Overnight Financing Rate ("SOFR") and other similar types of reference rates ("Reference Rates"). The elimination of a Reference Rate or any other changes or reforms to the determination or supervision of Reference Rates could have an adverse impact on the market for, or value of, any securities or payments linked to those Reference Rates. Any substitute Reference Rate and any pricing adjustments imposed by a regulator or by counterparties or otherwise may adversely affect the Fund's performance and/or net asset value.

Foreign Investing Risk – Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability, and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments.

Forward Contract Risk – Forward contracts involve a number of the same characteristics and risks as futures contracts but there also are several differences. Forward contracts are not market traded, and are not necessarily marked to market on a daily basis. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardized terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardized provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

IBOR Risk – The risk that the elimination of the London Interbank Offered Rate ("LIBOR") or similar interbank offered rates ("IBORs"), such as the Euro Overnight Index Average ("EONIA"), or any other changes or reforms to the determination or supervision of such rates, could have an adverse impact on the market for, or value of, any securities or payments linked to those rates. While some instruments may contemplate a scenario where LIBOR or a similar rate is no longer available by providing for an alternative rate setting methodology, not all instruments have such fallback provisions. Moreover, the effectiveness of replacement rates

is uncertain.

Information Technology Sector Risk – Investments in technology companies exposed to special risks, such as rapid advances in technology that might cause existing products to become obsolete. Companies in a number of technology industries are also subject to more government regulations and approval processes than many other industries. This fact may affect a company's overall profitability and cause its stock price to be more volatile. Additionally, technology companies are dependent upon consumer and business acceptance as new technologies evolve.

Interest Rate Risk – In general, the price of a debt security falls when interest rates rise. Debt securities have varying levels of sensitivity to changes in interest rates. Securities with longer maturities may be more sensitive to interest rate changes.

IPO Risk – The Fund invests in IPOs at the time of the initial offering and in post-IPO trading. The stocks of such companies are unseasoned equities lacking a trading history, a track record of reporting to investors and widely available research coverage. IPOs are thus often subject to extreme price volatility and speculative trading. These stocks may have above-average price appreciation in connection with the initial public offering prior to inclusion in the Fund. The price of stocks included in the Fund may not continue to appreciate. In addition, IPOs share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in an IPO are typically a small percentage of the market capitalization. The ownership of many IPOs often includes large holdings by venture capital and private equity investors who seek to sell their shares in the public market in the months following an IPO when shares restricted by lock-up are released, causing greater volatility and possible downward pressure during the time that locked-up shares are released.

Large Cap Stock Risk – Because the investment focus of the Fund is on large cap stocks, the value of the Fund may be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Leveraging Risk – Using derivatives can create leverage, which can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.

Limited History of Operations Risk – The Fund is a new mutual fund and has a limited history of operations for investors to evaluate.

Liquidity Risk – Some securities may have few market-makers and low trading volume, which tend to increase transaction costs and may make it impossible for the Fund to dispose of a security position at all or at a price which represents current or fair market value.

Long-Term Maturities/Durations Risk – The risk of greater price fluctuations than would be associated with securities

having shorter maturities or durations.

Lower-Rated Securities Risk – Securities rated below investment-grade, sometimes called “high-yield” or “junk” bonds, are speculative investments that generally have more credit risk than higher-rated securities. Companies issuing high-yield fixed-income securities are not as strong financially as those issuing securities with higher credit ratings and are more likely to encounter financial difficulties. Lower rated issuers are more likely to default, and their securities could become worthless.

Management Risk – The Fund is subject to management risk because it is an actively managed investment portfolio. The Sub-Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its decisions will produce the intended result. The successful use of hedging and risk management techniques may be adversely affected by imperfect correlation between movements in the price of the hedging vehicles and the securities being hedged.

Merger and Event-Driven Risk – Investments in companies that are expected to be, or already are, the subject of a publicly announced merger, takeover, tender offer, leveraged buyout, spin-off, liquidation or other corporate reorganizations carry the risk that the proposed or expected corporate event may not be completed or may be completed on less favorable terms than originally expected.

Micro Capitalization Risk – The purchase or sale of more than a limited number of shares of the securities of a micro-cap company may affect its market price. Micro-cap companies are generally followed by few, if any, securities analysts, and there tends to be less publicly available information about them. Their securities generally have even more limited trading volumes and are subject to even more abrupt or erratic market price movements than small and mid-capitalization companies. Such companies may also have limited markets, financial resources, or product lines, may lack management depth and may be more vulnerable to adverse business or market developments.

Money Market/Short-Term Securities Risk – To the extent the Fund holds cash or invests in money market or short-term securities, the Fund may be less likely to achieve its investment objective. In addition, it is possible that the Fund's investments in these instruments could lose money.

Mortgage-Backed and Asset-Backed Securities Risk – Mortgage-backed and asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, the Fund may exhibit additional volatility in a period of rising interest rates if it holds mortgage-backed securities (known as “extension risk”). Mortgage-backed securities may also be subject to

prepayment risk; when interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the Fund's returns because the Fund may have to reinvest that money at the lower prevailing interest rates. Non-agency mortgage-backed securities generally have greater credit risk than government issued mortgage-backed securities.

Natural Disaster/Epidemic Risk – Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease and illness, including pandemics and epidemics (such as the novel coronavirus), have been and can be highly disruptive to economies and markets.

Non-Diversification Risk – A Fund that is a non-diversified investment company means that more of the Fund's assets may be invested in the securities of a single issuer than a diversified investment company. This may make the value of the Fund's shares more susceptible to certain risk than shares of a diversified investment company. As a non-diversified fund, the Fund has a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer.

Options Risk – The Fund may use options to enhance return and or mitigate risk. However, options can fall rapidly in response to developments in specific companies or industries and the Fund's investments may be negatively impacted by unexpected market conditions.

Private Placement Risk – Privately issued securities, including those which may be sold only in accordance with Rule 144A under the Securities Act of 1933, are restricted securities that are not registered with the U.S. Securities and Exchange Commission ("SEC"). Accordingly, the liquidity of the market for specific privately issued securities may vary. Delay or difficulty in selling such securities may result in a loss to the Fund. Privately issued securities that the Sub-Adviser determines to be "illiquid" are subject to the Fund's policy of not investing more than 15% of its net assets in illiquid securities.

Portfolio Turnover Risk – The frequency of a Fund's transactions will vary from year to year. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in taxable capital gains. Higher costs associated with increased portfolio turnover may offset gains in a Fund's performance.

Real Estate Industry Concentration Risk – By concentrating in a single sector, the Fund carries much greater risk of adverse developments in that sector than a fund that invests in a wide variety of industries. Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations.

Real Estate Investment Trust Risk – A REIT's performance depends on the types and locations of the rental properties it

owns and on how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management.

Risk of Investing in Asia – The value of the Fund's assets may be adversely affected by political, economic, social and religious instability; inadequate investor protection; changes in laws or regulations of countries within the Asian region (including countries in which the Fund invests, as well as the broader region); international relations with other nations; natural disasters; corruption and military activity. The Asian region, and particularly China, Japan and South Korea, may be adversely affected by political, military, economic and other factors related to North Korea. In addition, China's long-running conflict over Taiwan, border disputes with many of its neighbors and historically strained relations with Japan could adversely impact economies in the region. The economies of many Asian countries differ from the economies of more developed countries in many respects, such as rate of growth, inflation, capital reinvestment, resource self-sufficiency, financial system stability, the national balance of payments position and sensitivity to changes in global trade.

Risk of Investing in Japan – The Fund may invest a significant portion of its assets in securities issued by Japanese issuers. The Japanese economy may be subject to considerable degrees of economic, political, and social instability, which could have a negative impact on Japanese securities. Since the year 2000, Japan's economic growth rate has remained relatively low, and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons, and tsunamis, which could negatively affect the Fund.

Senior Bank Loans Risk – Senior loans are subject to the risk that a court could subordinate a senior loan, which typically holds the most senior position in the issuer's capital structure, to presently existing or future indebtedness or take other action detrimental to the holders of senior loans. Senior loans settle on a delayed basis, potentially leading to the sale proceeds of such loans not being available to meet redemptions for a substantial period of time after the sale of the senior loans. The market prices of floating rate loans are generally less sensitive to interest rate changes than are the market prices for securities with fixed interest rates. Certain senior loans may not be considered "securities," and purchasers, such as the Fund, therefore, may not be entitled to rely on the protections of federal securities laws, including anti-fraud provisions.

Securities Lending Risk – The risk of securities lending is that the financial institution that borrows securities from the Fund could go bankrupt or otherwise default on its commitment under the securities lending agreement and the Fund might not be able to recover the loaned securities or their value.

Short Selling Risk – If the price of the security sold short increases between the time of the short sale and the time

Quarterly Pulse – Q4 2025

the Fund covers its short position, the Fund will incur a loss which may be unlimited. Also, the Fund is required to deposit collateral in connection with such short sales and may have to pay a fee to borrow particular securities.

Small and Medium Capitalization Risk – The Fund's investments in smaller and medium-sized companies carry more risks than investments in larger companies. Companies with small and medium-sized market capitalization often have narrower markets, fewer products or services to offer and more limited managerial and financial resources than larger, more established companies do. Investing in lesser-known, small and medium-sized capitalization companies involve a greater risk of volatility of the Fund's net asset value than is customarily associated with larger, more established companies. Often smaller and medium capitalization companies and the industries in which they are focused are still evolving and, while this may offer better growth potential than larger, more established companies, it also may make them more sensitive to changing market conditions.

Small Capitalization Risk – The Fund's investments in small cap companies carry more risks than investments in larger companies. Small cap companies often have narrower markets, fewer products, or services to offer and more limited managerial and financial resources than larger, more established companies do.

Software Industry Risk – Technological developments, fixed-rate pricing and the ability to attract and retain skilled employees can significantly affect the software industry. The success of companies in the industry is also subject to the continued demand for internet services.

Stock Market Risk – Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Fund's investment may decline in value if the stock markets perform poorly.

Structured Note Risk – Structured notes involve tracking risk, issuer default risk and may involve leverage risk.

Tactical Asset Allocation Risk – Tactical asset allocation is an investment strategy that actively adjusts a portfolio's asset allocation. The Fund's tactical asset management discipline may not work as intended. The Fund may not achieve its objective and may not perform as well as other funds using other asset management styles, including those based on fundamental analysis (a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other factors) or strategic asset allocation (a strategy that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation). The Sub-Adviser's evaluations and assumptions in selecting investments may be incorrect in view of actual market conditions and may result in owning securities that underperform other securities.

Upside Participation Risk/Downside Loss Risk – There can be no guarantee that the Fund will be successful in its strategy to provide shareholders with a total return that matches the increase of the underlying index over a given period. In the event an investor purchases shares of the Fund after securities transactions were entered into or does not stay invested in the Fund for the long term or a full-market cycle, the returns realized by the investor may not match those that the Fund seeks to achieve.

In addition, there can be no guarantee that the Fund will be successful in its strategy to provide protection against underlying index losses. The Fund's strategy seeks to deliver returns that participate in the returns of the underlying index while limiting downside losses if shares are held over long periods of time. The Fund does not provide principal protection or non-principal protection, and an investor may experience significant losses on its investment, including the loss of its entire investment.

U.S. Government Securities Risk – The risk that U.S. Government securities in the Fund's portfolio will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.

Index Definitions:

Bloomberg Global Aggregate Bond Index – The Bloomberg Global Aggregate Bond Index measures the performance of the global investment grade, fixed-rate bond markets. The benchmark includes government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers.

The Global Economic Policy Uncertainty Index – The GEPU Index is a GDP-weighted average of national EPU indices for 16 countries that account for two-thirds of global output. Each national EPU index reflects the relative frequency of own-country newspaper articles that contain a trio of terms pertaining to the economy, uncertainty and policy-related matters.

MSCI All Country World ex US Index (net) – The MSCI All Country World ex US Index (net) is a free float-adjusted market capitalization index designed to measure equity market performance in the global developed and emerging markets excluding holdings in the United States and is net of any withholding taxes.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

S&P 500 Index – The S&P 500, or the Standard & Poor's 500, is a stock market index based on the market capitalizations of 500 large companies having common stock listed on

Quarterly Pulse – Q4 2025

the NYSE or NASDAQ. The S&P 500 Index components and their weightings are determined by S&P Dow Jones Indices. It differs from other U.S. stock market indices, such as the Dow Jones Industrial Average or the Nasdaq Composite index, because of its diverse constituency and weighting methodology. It is one of the most commonly followed equity indices, and many consider it one of the best representations of the U.S. stock market, and a bellwether for the U.S. economy.

Investors cannot invest directly in an Index.

DunhamDC Disclosure

This communication is general in nature and provided for educational and informational purposes only. It should not be considered or relied upon as legal, tax or investment advice or an investment recommendation. Any investment products or services named herein are for illustrative purposes only, and should not be considered an offer to buy or sell, or an investment recommendation for, any specific security, strategy or investment product or service. Always consult a qualified professional or your own independent financial professional for personalized advice or investment recommendations tailored to your specific goals, individual situation, and risk tolerance.

Past performance may not be indicative of future results.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There may be economic times where all investments are unfavorable and depreciate in value.

DunhamDC is a proprietary algorithm of Dunham & Associates Investment Counsel, Inc. ("Dunham") that seeks to mitigate sequence risk, which poses a threat to an investor's returns due to the timing of withdrawals. The algorithm employs what Dunham considers to be a pragmatic strategy, generally making incremental increases to the equity allocation when global stock market prices decrease and decreasing it when global stock prices increase. This approach is objective, unemotional, and systematic. Rebalancing is initiated based on the investment criteria set forth in the investors application and is further influenced by the DunhamDC algorithm.

Due to the large deviation in equity to fixed income ratio at any given time, investor participating in DunhamDC understands that a large deviation in equity to fixed income ratio can have significant implications for the risk and return profile of the account. Accordingly, during periods of strong market growth the account may underperform accounts that do not have the DunhamDC feature. Conversely, during periods of strong market declines, the account may also be underperforming, as the account continues to decline, due to the higher exposure in equities. Similarly, if the fixed income investments underperform the equity investments, it is possible that the accounts using the DunhamDC feature may underperform accounts that do not have the DunhamDC feature, even though they may have adjusted the exposure

to equity investment before a decline. Therefore, the investor must be willing to accept the highest risk tolerance and investment objective the account can range for the selected strategy. Please see the Account Application for the various ranges.

DunhamDC uses an unemotional, objective, systematic approach. The algorithm does not use complex formulas and is designed to create a consistent process with limited assumptions based on historical data.

DunhamDC may make frequent purchases and redemptions at times which may result in a taxable event in the account and may cause undesired tax-related consequences.

Trade signals for DunhamDC are received at the end of each trading day with the implementation of the trades not occurring until the next business day, which means that there is a one-day lag that may result in adverse prices.

DunhamDC operates within predefined parameters and rules, some or all of which may not be available to review. While this approach can reduce emotional biases and enhance consistency, it may limit adaptability to changing market conditions, economic considerations, or unforeseen events. Extreme conditions may require deviations from the program's prescribed approach, and such adaptability may be challenging to incorporate. The DunhamDC algorithm is programmed based on specific criteria and rules, it may not capture certain qualitative or contextual factors that can impact investment decisions or movement in the markets. Beyond the initial assumptions used to develop the algorithm, it lacks other inputs or considerations that human judgement and discretion may be necessary to evaluate. DunhamDC may utilize historical data, statistical analysis, and predefined rules. It does not make any predictions and may add to certain investments before they perform poorly or may divest from other investments before they perform well. Dunham makes no predictions, representations, or warranties as to the future performance of any account.

Accounts invested in DunhamDC are subject to a quarterly rebalance to its target allocation at the time based on DunhamDC in addition to the signals provided by DunhamDC at any given time.

If the variance between any Dunham Mutual Fund's target percentage of the total account value compared to the current percentage of the account value is greater than 1.00% at the time of the trigger point, the account in DunhamDC will be updated to the new target allocation.

Accounts invested in DunhamDC may contain non-Dunham Mutual Funds, which may materially impact if the account is being rebalanced at the trigger point.

Dunham makes no representation that the program will meet its intended objective. Market conditions and factors that influence investment outcomes are subject to change, and no program can fully account for all variables and events.

Quarterly Pulse – Q4 2025

The program requires making investment decisions based on factors and conditions that are beyond the Account Owner's and Dunham's control.

DunhamDC is NOT A GUARANTEE against market loss or declines in the value of the account or a timing strategy. Investor may lose money.

Asset allocation models are subject to general market risk and risks related to economic conditions.

DunhamDC has a limited track record, with an inception date of November 30, 2022.

DunhamDC US has a limited track record, with an inception date of July 31, 2024.

Risk Disclosures. An investment in the strategies and the Dunham Funds involves risks. For the Primary Risks of the Dunham Funds, please see: <https://dunham.com/disclosures/dunhamfundsrisks.pdf>

Dunham & Associates Investment Counsel, Inc. is a Registered Investment Adviser and Broker/Dealer. Member FINRA/SIPC.

Dunham & Associates Investment Counsel, Inc, serves as adviser and distributor of the Dunham Funds.

An Investment in the Dunham Funds is not insured or guaranteed by the federal deposit insurance corporation or any other governmental agency.